

Federal Income Tax Withholding Formula

Withholding Formula ►(Effective Pay Period 25, 2007)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by ►27◄ to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline. Subtract this amount from the annual wages to obtain the taxable income.

Exemption Allowance = ►\$3,500◄ x Number of Exemptions

6. Apply the taxable income computed in step 5 to the following table to determine the Federal income tax withholding.

Tax Withholding Table
Single or Head of Household

If the Amount of Taxable Income Is:		The Amount of Federal Income Tax Withholding Should Be:			
Not more than \$2,650		\$0			
Over:	But Not Over:	Of Excess Over:			
\$ 2,650.00	\$ ►10,300.00	\$ 0	plus	10%	\$ 2,650.00
10,300.00	33,960.00	765.00	plus	15%	10,300.00
33,960.00	79,725.00	4,314.00	plus	25%	33,960.00
79,725.00	166,500.00	15,755.25	plus	28%	79,725.00
166,500.00	359,650.00	40,052.25	plus	33%	166,500.00
359,650.00	and over	103,791.75	plus	35%	359,650.00◄

Married

If the Amount of Taxable Income Is:		The Amount of Federal Income Tax Withholding Should Be:			
Not more than \$8,000		\$0			
Over:	But Not Over:	Of Excess Over:			
\$ 8,000.00	\$ ►23,550.00	\$ 0	plus	10%	\$ 8,000.00
23,550.00	72,150.00	1,555.00	plus	15%	23,550.00
72,150.00	137,850.00	8,845.00	plus	25%	72,150.00
137,850.00	207,700.00	25,270.00	plus	28%	137,850.00
207,700.00	365,100.00	44,828.00	plus	33%	207,700.00
365,100.00	and over	96,770.00	plus	35%	365,100.00◄

7. Divide the annual Federal income tax withholding by ►27◄ to obtain the biweekly Federal income tax withholding.